

08 C 862

**JUDGE KENNELLY
MAGISTRATE JUDGE BROWN**

EXHIBIT A

Part 8 of 14

Policy Number: BK01116165

Professional Services Exclusion Endorsement**THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.**

This endorsement modifies insurance provided under the following:

LIABILITY COVERAGE PART.Exclusion A 2.1. Professional Services of **Section I – COVERAGE** is replaced by the following.**I. Professional Services**

"Bodily injury," "property damage," "personal injury" or "advertising injury" due to rendering or failure to render any professional service by or on behalf of any insured. Professional service includes:

- (1) Legal, accounting, advertising, real estate, travel, or consulting service;
- (2) Architect, engineer, surveyor, construction contractor or construction management service, including:
 - (a) Preparing, approving, or failing to prepare or approve any map, drawing, opinion, report, survey, change order, design, specification, recommendation, permit application, payment request, manual, instruction, computer program for design systems, or selection of a contractor or sub-contractor;
 - (b) Any supervisory, inspection, or quality control service;
 - (c) Any study, survey, assessment, evaluation, consultation, observation, scheduling, sequencing, training or inspection, including those for job site safety; and
 - (d) Any monitoring, testing, or sampling service necessary to perform any of the services included in Exclusion I. 2 (a), (b), or (c) above;
- (3) Supervisory, claim, investigation, adjustment, appraisal, survey, audit, or inspection service;
- (4) Medical, surgical, dental, x-ray or nursing service, treatment, advice or instruction;
- (5) Any health or therapeutic service, treatment, advice or instruction;
- (6) Any service, treatment, advice or instruction for the purpose of appearance or skin enhancement, hair removal or replacement, or personal grooming;
- (7) Optometry or optical or hearing aid service, including the prescribing, preparation, fitting, demonstration or distribution of ophthalmic lenses or any similar product or hearing aid device;
- (8) Body piercing service;
- (9) Service in the practice of pharmacy; but this exclusion does not apply if you are a retail druggist or your operations are those of a retail drugstore;
- (10) Law enforcement or fire-fighting service; and
- (11) Handling, embalming, disposal, burial, cremation or disinterment of a dead body.

All other terms of this policy remain the same.

Policy Number: BK01116165

Broadened Equipment And Mobile Property Coverage Endorsement

ARCHITECTS AND ENGINEERS

THIS ENDORSEMENT CHANGES THE POLICY. PLEASE READ IT CAREFULLY.

This endorsement modifies insurance provided under the following:

EQUIPMENT AND MOBILE PROPERTY COVERAGE PART

- A.** The following change is made to the Declarations Page when Unscheduled Property Coverage is included in the Equipment and Mobile Property Coverage.
 - a.** Unscheduled Property Any One Item Limit amended to \$5,000.
- B.** The following changes are made to the EQUIPMENT AND MOBILE PROPERTY COVERAGE PART.

1. Property Not Covered

- A.** Paragraph 2.i. of SECTION I. A. 2. Property Not Covered is deleted.

2. Property Not Covered

- A.** Paragraph a. of SECTION I. A. 3. Additional Coverage is replaced by the following:

1. Newly Owned, Leased, Rented, or Borrowed Machinery, Equipment, Tools, Devices and Scientific Instruments Usual to Your Business.

If, during the policy period, you purchase, lease, rent, or borrow, machinery, equipment, tools, devices or scientific instruments for use in your business, we will automatically cover such property for up to 30 days, but you must report such property to us within 30 days of purchase, lease, rent or borrow. Coverage for such property granted under this Additional Coverage will cease automatically if:

- (a)** You do not report the property and values within 30 days of purchase, lease, rent or borrow; or
- (b)** This policy expires.

We will charge you additional premium from the date of purchase, lease, rent or borrow. The most we will pay per loss caused by a Covered Cause of Loss under this Additional Coverage is \$25,000. This amount is in addition to any other Limit of Insurance.

All other terms of this policy remain the same.

The USF&G Business Foundation Series



Equipment And Mobile Property Coverage Part Declarations

Your Insurance Company is:
 United States Fidelity and Guaranty Company
 5801 Smith Avenue
 Baltimore, Maryland 21209

A Stock Insurance Company

Policy Number:	Reason For Issuance:
BK01116165	Renewal

Unscheduled Covered Property:

Limits of Insurance:	
Not Covered	at all locations.
Not Covered	at any one location.
Not Covered	for any one item.

Scheduled Covered Property:

Item Number	Description	Limit of Insurance
1	EPSON VIDEO PROJECTOR S#2AA0560457	\$ 10,000

Deductible:

\$500

Premium:

\$54.00

Options:

<input type="checkbox"/> Debris Removal and Pollutant Cleanup (See endorsement)	<input type="checkbox"/> Faulty Overload Operation (See endorsement)
<input type="checkbox"/> Leased, Rented or Borrowed Property (See endorsement)	<input type="checkbox"/> Rental Expense (See endorsement)

Loss Payee:

We Will Pay The Adjusted "Loss" Jointly To You And The Applicable Loss Payee, As Interest May Appear.

The USF&G Business Foundation Series

Equipment And Mobile Property Coverage Part Declarations

Forms and Endorsements Applicable to this Coverage Part:

See attached Schedule of Forms and Endorsements CL/BF 00 35.

Policy Number:

Equipment And Mobile Property Coverage Part

Various provisions in this policy restrict coverage. Read the entire policy carefully to determine rights, duties, and what is and is not covered.

Throughout this Coverage Part the words "you" and "your" refer to the Named Insured shown in the Declarations. The words "we," "us" and "our" refer to the Company providing this insurance.

SECTION I - COVERAGE**A. Coverage Provided.**

We will pay for direct physical loss to Covered Property that you use solely in your business. The loss must occur during the policy period shown in the Declarations, within the Coverage Territory and be caused by or result from a Covered Cause of Loss.

1. Covered Property.

Covered Property means:

- a. Machinery, equipment, tools, devices and scientific instruments usual to your business;
- b. Office or tool trailers used at job sites;
- c. Property usually assembled and disassembled at job sites, including fences, scaffolding, cribbing and construction forms such as falsework; and
- d. Property described in the Declarations.

2. Property Not Covered.

Covered property does not include:

- a. Accounts, bills, deeds, evidences of debt, currency, money, notes or securities, plans, blueprints, designs, drawings, tracings, specifications, or any similar property;
- b. Aircraft, watercraft or marine vessels;
- c. Automobiles, motorcycles, trucks, trailers, semi-trailers, or other vehicles designed for use on public roads;

- d. Contraband, or property in the course of illegal transportation or trade;
- e. Cranes, unless described in the Declarations;
- f. Furniture, fixtures, office supplies, or improvements and betterments on premises you own;
- g. Property that has become a part of any building, structure or installation;
- h. Property that you intend to sell, build or install;
- i. Property that you lease, rent or borrow from others;
- j. Property while underground, except while in transit through vehicular or railroad tunnels; or
- k. Property while waterborne, except while in transit on a ferryboat.

3. Additional Coverage.**a. Newly Owned Machinery, Equipment, Tools, Devices and Scientific Instruments Usual to Your Business.**

If, during the policy period, you purchase machinery, equipment, tools, devices or scientific instruments for use in your business, we will cover such property for up to 30 days. You must report such property to us within 30 days of purchase. Coverage for such property granted under this Additional Coverage will cease automatically if:

- (1) You do not report the values within 30 days of purchase; or
- (2) This policy expires.

We will charge you additional premium from the date of purchase. The most we will pay per loss caused by a Covered Cause of Loss under this Additional Coverage is \$25,000.

This amount is in addition to any other Limit of Insurance.

b. Fire Department Service Charge.

If a fire department is called to save or protect Covered Property from a Covered Cause of Loss, we will pay for your liability for fire department service charges:

- (1) Assumed by contract or agreement prior to a loss; or
- (2) Required by local ordinance.

The most we will pay per loss under this Additional Coverage is \$5,000. This amount is in addition to any other Limit of Insurance.

B. Covered Causes of Loss.

Risks of direct physical loss unless the loss is excluded or payment is limited by other provisions in this Coverage Part.

C. Exclusions.

1. We will not pay for loss caused directly or indirectly by any of the following. Such loss is excluded regardless of any other cause or event that contributes concurrently or in any sequence to the loss.

a. **Governmental Action.** Seizure or destruction of property by order of governmental authority. But we will pay for acts of destruction ordered by governmental authority and taken at the time of a fire to prevent its spread.

b. **Nuclear Hazard.** Nuclear reaction or radiation or radioactive contamination, however caused. But if loss by fire results, we will pay for that resulting loss.

c. War and Military Action.

- (1) War, including undeclared or civil war;
- (2) Warlike action by a military force, including action in hindering or defending against an actual or expected attack by any government, sovereign power, or

other authority using military personnel or other agents; or

- (3) Insurrection, rebellion; revolution usurped power, or action taken by governmental authority in hindering or defending against any of these.
- 2. We will not pay for loss caused by or resulting from any of the following:
 - a. Corrosion, rust or decay;
 - b. Dampness or dryness of atmosphere, extremes of or changes in temperature, cold or heat;
 - c. Delay, loss of use, loss of market, loss of occupancy, interruption of your business, or consequential loss of any kind;
 - d. Dishonest or criminal acts by you, or any of your partners, employees, directors, trustees, authorized representatives or anyone to whom you entrust with the property for any purpose, whether acting alone or in collusion with others or occurring during the hours of employment.

This exclusion does not apply to a carrier for hire;

- e. Electric arcing, short circuit, blow-out, or other electrical disturbance or damage by artificially generated electricity. But if loss by fire results, we will pay for that resulting loss;
- f. Exceeding the manufacturer's rated capacity of the equipment;
- g. Incorrect or improper operation of any kind of equipment used to lift property;
- h. Insects, birds, rodents or other animals;
- i. Mechanical breakdown or failure. But if loss by fire results, we will pay for that resulting loss;
- j. Processing or actual work upon Covered Property. But if loss by fire results, we will

pay for that resulting loss. Processing means any repairing, adjusting, servicing, or maintenance operation;

- k.** Rain, snow, ice, sleet or sand, all whether driven by wind or not;
- l.** Loss that solely depends on any audit of records or any inventory computation to prove its factual existence;
- m.** Sinking in permafrost or muskeg;
- n.** Subsidence of or breaking through ice;
- o.** Wear and tear, gradual deterioration, depreciation, hidden or latent defect, of any quality in the property that causes it to damage or destroy itself.

SECTION II - LIMITS OF INSURANCE

The most we will pay for is:

- A.** The applicable Limit of Insurance shown in the Declarations; and
- B.** The amounts stated in this Coverage Part to be in addition to the Limits of Insurance

SECTION III - DEDUCTIBLE

We will not pay for loss until the amount of the adjusted loss exceeds the Deductible shown in the Equipment and Mobile Property Coverage Part Declarations. We will then pay the amount of the adjusted loss in excess of the Deductible up to the applicable Limit of Insurance.

SECTION IV - CONDITIONS

A. Loss Conditions.

1. Abandonment.

There can be no abandonment of any property to us.

2. Appraisal.

If we and you disagree on the value of the property or the amount of loss, either may make written demand for an appraisal of the loss. In this event,

each party will select a competent and impartial appraiser. The two appraisers will select an umpire. If they cannot agree, either may request that selection be made by a judge of a court having jurisdiction. The appraisers will state separately the value of the property and amount of loss. If they fail to agree, they will submit their differences to the umpire. A decision agreed to by any two will be binding. Each party will:

- a.** Pay its chosen appraiser; and
- b.** Bear the other expenses of the appraiser and umpire equally.

If there is an appraisal, we will still retain the right to deny the claim.

3. Duties In The Event Of Loss.

You must see that the following are done in the event of loss to Covered Property:

- a.** Notify the police if a law may have been broken.
- b.** Give us prompt notice of the loss. Include a description of the property involved.
- c.** As soon as possible, give us a description of how, when and where the loss occurred.
- d.** Take all reasonable steps to protect the Covered Property from further damage by a Covered Cause of Loss. If feasible, set the damaged property aside and in the best possible order for examination. Also keep a record of your expenses, for consideration in the settlement of the claim.
- e.** Make no statement that will assume any obligation or admit any liability for a loss for which we may be liable, without our consent.
- f.** Permit us to inspect the property and records proving loss. Also permit us to take samples of damaged property for inspection, testing, and analysis.
- g.** If requested, permit us to question you and your employees, each separately and under

oath, at such times as may be reasonably required, about any matter relating to this insurance or your claim, including your books and records. In such event, your and your employee answers must be signed.

- h. Send us a signed, sworn statement of loss containing the information we request to investigate the claim. You must do this within 60 days after our request. We will supply you with the necessary forms.
- i. Promptly send us any legal papers or notices received concerning the loss.
- j. Cooperate with us in the investigation or settlement of the claim.

4. Insurance Under Two Or More Coverages.

If two or more Coverage Parts forming part of this policy apply to the same loss, we will not pay more than the actual amount of the loss.

5. Legal Action Against Us.

No one may bring legal action against us under this unless:

- a. There has been full compliance with all the terms of this insurance; and
- b. The action is brought within 2 years after the date on which you first have knowledge of the loss.

6. Loss Payment.

We will pay for or make good any loss covered under this Coverage Part within 30 days after:

- a. We reach agreement with you;
- b. The entry of final judgment; or
- c. The filing of an appraisal award.

We will not be liable for any part of a loss that has been paid for or made good by others.

7. Pair, Set Or Parts.

- a. Pair or Set. In case of loss to any part of a pair or set we may, at our option:

(1) Repair or replace any part to restore the pair or set to its value before the loss; or

(2) Pay the difference between the value of the pair or set before and after the loss.

- b. Parts. In case of loss to any part of Covered Property consisting of several parts when complete, we will only pay for the value of the lost or damaged part.

8. Privilege To Adjust With Owner.

In the event of loss involving property of others in your care, custody or control, we have the right to:

- a. Settle the loss with the owners of the property. A receipt for payment from the owners of that property will satisfy any claim of yours.
- b. Provide a defense for legal proceedings brought against you. If provided, the expense of this defense will be at our cost and will not reduce the Limits of Insurance.

9. Recoveries.

Any recovery or salvage on a loss will accrue entirely to our benefit until the sum paid by us has been made up.

10. Reinstatement Of Limits Of Insurance After Loss.

The Limits of Insurance will not be reduced by the payment of any claim except for total loss of a scheduled item, in which event we will refund the unearned premium on that item.

11. Valuation.

The value of property will be the least of the following amounts:

- a. The actual cash value of that property;
- b. The cost of reasonably restoring that property to its condition immediately before loss; or
- c. The cost of replacing that property with substantially identical property.

In the event of loss, the value of Property will be determined as of the time of loss.

B. General Conditions.

1. Concealment, Misrepresentation Or Fraud.

This Coverage Part is void in any case of fraud by you at any time as it relates to this Coverage Part. It is also void if you or any other insured, at any time, intentionally conceal or misrepresent a material fact concerning:

- a.** This Coverage Part;
- b.** The Covered Property;
- c.** Your interest in the Covered Property; or
- d.** A claim under this Coverage Part.

2. Control Of Property.

Any act or neglect of any person other than you beyond your direction or control will not affect this insurance.

The breach of any condition of this Coverage Part at any one or more locations will not affect coverage at any location where, at the time of loss, the breach of condition does not exist.

3. Coverage Territory.

Except as limited by other provisions of this Coverage Part, Coverage Territory means:

- a.** The continental United States of America other than Alaska or in transit to or from Alaska; and
- b.** Canada.

4. No Benefit To Bailee.

No person or organization, other than you, having custody of Covered Property will benefit from this Insurance.

5. Other Insurance.

If there is other insurance covering the same loss, we will pay only for the amount of covered loss in excess of the amount due from that other insurance, whether you can collect on it or not.

But we will not pay more than the applicable Limit of Insurance.

6. Records.

You will keep accurate records of your business operations and retain these records for three years after the expiration date of this policy.

7. Transfer Of Rights Of Recovery Against Others.

- a.** If any person or organization to or for whom we make payment under this Coverage Part has rights to recover damages from another, those rights are transferred to us to the extent of our payment. That person or organization must do everything necessary to secure our rights and must do nothing after loss to impair them.
- b.** You may waive your rights to recover damages from any person or organization prior to loss to Covered Property. We must receive the waiver in writing prior to the occurrence of any loss.

Any written waiver that you might issue will not affect insurance provided by this Coverage Part nor will it impair your right to recover any loss under this Coverage Part.

8. When Coverage Ceases.

The insurance provided by this Coverage Part ends at the earliest of the following times:

- a.** When your interest in the property ceases;
- b.** When the policy expires; or
- c.** On the cancellation date.

Commercial Umbrella Liability Coverage Part



Declarations

Your Insurance Company is:
United States Fidelity and Guaranty Company
5801 Smith Avenue
Baltimore, Maryland 21209

A Stock Insurance Company

Policy Number: BK01116165	Reason For Issuance: Renewal
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Limits Of Insurance:

\$ 5,000,000	General Aggregate Limit
\$ 5,000,000	Products-Completed Aggregate Limit
\$ 5,000,000	Each Incident Limit

Form Of Business:

Individual Partnership Corporation Other:

Schedule of Underlying Insurance:

Automobile Liability

Policy Number/Policy Period	Insurer	Limits Of Insurance
BA01116172 05/01/2002 to 05/01/2003	United States Fidelity and Guaranty Company	\$1,000,000 Each Accident

Commercial General Liability

Policy Number/Policy Period	Insurer	Limits Of Insurance
BK00852660 05/01/2001 to 05/01/2002	United States Fidelity and Guaranty Company	\$1,000,000 Each Occurrence \$1,000,000 Personal and Advertising Injury \$2,000,000 General Aggregate \$2,000,000 Products - Compl. Ops. Aggregate

Employers Liability

Policy Number/Policy Period	Insurer	Limits Of Insurance
WVA2418844 05/01/2002 to 05/01/2003	St. Paul Mercury Insurance Company	Bodily Injury By Accident \$1,000,000 Each Accident Bodily Injury By Disease \$1,000,000 Policy Limit \$1,000,000 Each Employee

Premium Schedule:

Premium Basis	Estimated Exposure	Rate Per	Estimated Premium	Minimum Premium
N/A	N/A	\$999.99 N/A	N/A	N/A

Total Advance Premium For This Coverage Part: \$2,450.00

Audit Period: None Annually Semiannually Quarterly Monthly

Commercial Umbrella Liability Coverage Part

Declarations

Forms And Endorsements Applicable To This Coverage Part:

See attached Schedule of Forms and Endorsements, CL/BF 00 35.
